

DECISION



THE COMPTROLLER GENERAL OF THE UNITED STATES WASHINGTON, D. C. 20548

10,300

FILE: B-194293

DATE: May 25, 1979

MATTER OF: Ideker, Inc.

DIGEST:

Contract award by State Highway Commission under Federal grant will not be questioned where discrepancy in awardee's unit price for one item was corrected to correspond to extended total price despite solicitation provision that unit price would govern in event of discrepancy. Extended total price was only reasonable interpretation of ambiguity.

*the contract award was not questioned*

*DLG 01655* Ideker, Inc. (Ideker), has requested our review of a contract awarded to the J.A. Tobin Construction Co. *DLG 01656* (Tobin) by the Highway Commission of the State of *DLG 01657* Missouri (the Commission) for a grading, drainage and structures project for a future divided freeway. The project was partially federally funded through the participation of the Federal Highway Administration *AFC 00063* (FHA). Ideker contends that Tobin was improperly permitted to correct its bid, thereby displacing Ideker as the low bidder.

*MISSOURI: STATE HWY COMMISSION*

The solicitation, issued in January 1979, listed numerous individual items by description and estimated quantity. Bidders were to show a unit price and extended total price (quantity x unit price) for each item. The solicitation advised that the estimated quantities were not guaranteed and were to be used " \* \* \* solely for the purpose of comparing bids and awarding the contract \* \* \* and that the sum of the products of the quantities listed in the following itemized proposal, multiplied by the unit price bid shall constitute the gross sum bid." The solicitation incorporated the Missouri Standard Specifications which provide in pertinent sections that in the event of a discrepancy between the unit and extended prices, the unit prices will govern, and that evaluation for award will be based on the sum of the approximate quantities shown in the bid schedule multiplied by the unit bid prices.

[Protest Involving Contract Award Under FEDERAL GRANT]

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Judging from the printouts provided by both the protester and the FHA, the Missouri State Highway Commission utilizes a computer for the evaluation of bids. It appears that each bidder's unit price for each line item is entered as data into the computer which then calculates both the extended total for that item and the total for all items to arrive at what we shall refer to as the "evaluated total bid" to distinguish it from each bidder's own summation of its bid.

Ideker's bid and evaluated total bid were both \$4,134,034.69. Tobin's bid appeared as follows:

<u>"Item</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Total Price</u>
201-10.00	Clearing	11.5	2600	29900
	* * *	*	*	*
202-20.10	Removal of Improvements	1	711000	71100
	* * *	*	*	*
	Total for Project			3545897.26
	[Evaluated total bid]			[\$4,185,797.27]"

The difference between Tobin's bid and its evaluated total bid is the result of the discrepancy between Tobin's unit price for the removal of improvements, \$711,000, and its extended total, \$71,100. Ideker was considered the apparent low bidder on the basis of its lower evaluated total bid.

The Commission determined that Tobin had made an obvious mistake in stating its unit price for the removal of improvements and afforded Tobin the opportunity to correct its unit price for this item. Tobin's letter of February 26 to the Commission advised that its intended bid for the removal of improvements was \$71,100, as stated in its extended total, rather than the \$711,000 written as the unit price in its proposal. The Commission's estimate for this item was \$60,000. Upon retabulation, Tobin's evaluated total bid was determined to be \$3,545,897.27, displacing Ideker as the low bidder.

The contract was awarded to Tobin on March 2, 1979. The FHA concurred in the award.

The authority for Federal participation in state construction of highways is contained in sections 101, et seq., of title 23, United States Code (1976). In implementing the legislative mandate of 23 U.S.C. § 112(a), requiring methods of bidding which shall be effective in securing competition, the Secretary of Transportation has issued regulations requiring that advertising for bids by state highway departments be accomplished in accordance with the laws, specifications, regulations, and policies of the state in which the project is located under conditions that will assure free and adequate competition. 23 C.F.R. § 635.107(b) (1978). We have found no Missouri law involving the correction of bids and, therefore, will evaluate the Commission's actions under the terms of the FHA's grant requirements and the basic principles of competitive bidding.

In support of its complaint, Ideker refers to the general rule that a bidder should not be permitted to correct its bid, where such action would result in displacement of the low bidder, "except where its original bid is responsive and the intended bid can be ascertained substantially from the invitation and the bid itself," 49 Comp. Gen. 48, 50 (1969), and cites numerous decisions of our Office in which we have refused to permit bid correction by a second low bidder which would displace the low bidder. Ideker contends that Tobin's intended bid is not ascertainable from the bid itself and that the Commission therefore should not have permitted Tobin to correct its bid. Ideker also argues that the Commission violated its own rules and the terms of the solicitation by not considering Tobin's unit price for this item to be controlling.

In deciding questions involving bid corrections which would result in the displacement of a lower bidder, we generally have examined the degree to which the asserted correct bid is the only reasonable interpretation ascertainable substantially from the bid itself of the apparent ambiguity or claimed mistake. For instance, we have denied correction where there was no way to tell from the bid whether a unit price or its discrepant extended total was correct and either would

have been reasonable. Broken Lance Enterprises, Inc., B-190206, April 13, 1978, 78-1 CPD 279; Fink Sanitary Service, Inc., B-179040, January 29, 1974, 74-1 CPD 36. And, we have denied correction where a subitem was allegedly omitted from a bidder's computations and a number of reasonable alternatives were available to the bidder or the amount that would have been bid for an omitted item could not be ascertained from the bid. J.W. Creech Inc., B-191177, March 8, 1978, 78-1 CPD 186; The Manbeck Bread Company, B-190043, October 5, 1977, 77-2 CPD 273. Similarly, we have denied correction where the asserted intent of an offered discount was not clearly ascertainable from the bid and there were other reasonable interpretations. B & P Printing, Inc., B-188511, June 2, 1977, 77-1 CPD 387; Indusco Industries, Inc., B-187012, November 17, 1976, 76-2 CPD 428.

Conversely, we have permitted correction where the alleged ambiguity in a bid admits of only one reasonable interpretation substantially ascertainable from the bid. Engle Acoustic & Tile, Inc., B-190467, January 27, 1978, 78-1 CPD 72; Federal Aviation Administration - Bid Correction, B-187220, October 8, 1976, 76-2 CPD 326. The basis for determining whether the asserted correct price is reasonable is not confined to the face of the bid itself, but may include reference to Government estimates and the range of other bids as well as logic and experience. RAJ Construction, Inc., B-191708, March 1, 1979, 79-1 CPD 140; East Bay Auto Supply, Inc., B-192012, September 5, 1978, 78-2 CPD 170; Federal Aviation Administration - Bid Correction, supra. We have also permitted correction of a unit price to correspond to an extended total price where the total price represented the only reasonable alternative, even though such correction was contrary to a solicitation provision that in the event of a discrepancy between unit and extended prices, the unit price would govern. East Bay Auto Supply, Inc., supra; Value Precision, Inc., B-191563, August 7, 1978, 78-2 CPD 97. As we stated in RAJ Construction, Inc., supra, " \* \* \* even though a solicitation provides that in case of an error in the extension of unit prices the unit price will control, where there appears to be no reasonable doubt that the unit price is in error rather than the extended price, the extended price should prevail."

We think the questions presented here are governed by the latter line of cases. In this connection, we note that the discrepancy in Tobin's bid for this item appears not to be the result of an error in extension of the unit price, per se, but rather appears to be a clerical error in transcription, more akin to a misplaced decimal point. We note also that the unit price reflected in Tobin's bid for this item is almost 12 times the Commission's estimate for the removal of improvements whereas Tobin's extended total exceeds the Commission's estimate by slightly less than one-fifth and is in line with the other bid received.

In these circumstances, we think the Commission was correct in concluding that it was Tobin's unit price which was in error rather than its extended total price. Consequently, we think the Commission was correct in permitting correction of Tobin's unit price to correspond to its extended total.

Accordingly, we will not question the award of this contract to Tobin.

  
Deputy Comptroller General  
of the United States